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Approved For Release 2001/05/23 : CIA-RDP80-00473A000300080016-8

DD/A Registry
77-5/27

20 May 1977

MEMORANDUM FOR THE RECORD

SUBJECT : Establishment of Staff of Internal Organization  
Development Specialists or Consultants

REFERENCE: Notes from the Director No. 1

Background

1. In September 1976 I submitted an Employee Suggestion recommending the establishment of a Staff of Internal Organization Development consultants, or specialists, to provide management, from the Directorate level down through the Branch or even Section level, with internal resources for diagnostic and consultative services to any unit at any level for those areas of management that fall within the scope of Organization Development. Some of the areas that typically fall within the scope of OD are: action research; survey and feedback; organizational renewal; team building; affirmative action; vertical and lateral communications; conflict management; role clarification, role negotiation, job enrichment; career planning; interpersonal competence acquisition; and MBO.

2. I feel in retrospect that I chose the wrong forum, in that my intent was to propose an idea or concept for management to consider for development into a dynamic management process tool. I had no thoughts or desire to quantify or try to relate the concept to the traditional monetary reward format with which most employee suggestions are processed.

Critique and Clarification

3. After reviewing the evaluations of my Employee Suggestion #77-93 I am convinced not only of the applicability but the need for a dynamic management tool such as an internal staff of organization development specialists. The two evaluations of my suggestion, one by OP and one by DDA, were completely at odds in their perceptions of Organization Development. OP based their response on the premise that

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OD is only applicable in a centralized form of management whereas the DDA response assumed the premise that its applicability is to decentralized management. OD is in fact used in industry and the federal government in both managerial cultures. Organization Development is a dynamic process, providing a mechanism to continually sense and assess an organization's culture and ascertain if there is a need for change and if so, what change. There are several premises on which OD is based, two are: that there is always room for improvement or adjustment in an organization; and given that the external world is constantly changing, it is better to deal with change as an ongoing dynamic process rather than waiting for problems to develop or a crisis to arise and then resorting to corrective or catch-up action.

4. Warren Bennis (president, University of Cincinnati) and Wendell French (professor, University of Washington) define Organization Development as a long range effort to improve an organization's problem solving and renewal processes, particularly through a more effective and collaborative management of organizational culture, with the assistance of a change agent, or catalyst, and the use of the theory and technology of applied behavioral science, including action research. It is a complex educational strategy intended to inculcate or reinforce beliefs, attitudes, values, and structures of organizations to enable them to better adapt to new technologies, markets, requirements, challenges, and the dizzying rate of change itself.

5. The DDA evaluation adequately refutes the OP evaluation, and on the whole presents more supportive data to the suggestion than it does data to support its recommendation to decline the suggestion. Some examples are: "systematically apply behavioral science principles--to improve the extent to which the organization accomplishes its goals or carries out its mission"; "OD is a dynamic process providing a mechanism to continually recognize and reduce deficiencies--on the premise that however effective and organization may perform, it could be improved"; (can't we improve?) "Although OD concepts are applicable for large organizations, such as the CIA, the focus of OD is usually toward components such as Offices, Divisions, or Branches. (exactly what I suggested)

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"The consultant (their assumption is external, my suggestion is internal) works with organizational members in identifying key problem areas (e.g., group interaction, lateral communications), what changes are desired, how change should be implemented, and how resultant change should be assessed."  
"OD is consistent with a decentralized form of management such as that within the Agency."

6. The evaluation then proceeds to identify several individual things the Agency does, "consistent with the basic tenets of OD" e.g., attitude surveys, the creative leadership seminar (under development), the Levinson seminars, the Managerial Grid course, assessment centers, MBO. The closing paragraph starts with "In conclusion, the framework for an OD effort already exists within the Agency."

7. Many of these same areas and problems are identified in the report on two seminars on Creativity and Ethics in CIA published by the Center for the Study of Intelligence, OTR.

8. Some of the issues raised by the Seminar on Creativity and Ethics in CIA (17-18 January 1977) are those that lend themselves to an Organization Development effort and demonstrate that senior level officers of the Agency recognize the need for improvement, adjustment, and change. Some examples are:-

a. better vertical and cross-Directorate communications in CIA;

b. elimination of the bureaucratic isolation of office-level components across Directorates;

c. clarification of the aims, goals, and purposes of the Agency;

d. stressing those parts of MBO perceived as lacking in the Agency, i.e., sense of participation and better vertical communications;

e. clarification of expectations;

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SUBJECT: Establishment of Staff of Internal Organization Development Specialists or Consultants

- f. broadening of decision making process;
- g. more interdisciplinary and team approaches;
- h. Better recognition of creative initiatives;
- i. better feedback, i.e., more;
- j. zero-based management review of organizational tasks, methods, and management processes.

9. In conclusion, I would address the prevalent myth that OD is only practiced by Organizational Psychologists. The US Army develops its own internal OD specialists for its current programs in MILPERCEN, DESPERS, FORSCOM, and 82nd Airborne to name a few I'm personally aware of. The US Navy does much the same thing for its Human Resource Development centers. Most of those entering the field of Organization Development as practitioners are now coming out of graduate programs in OD. There is a growing number of Federal employees moving into the field of OD through the two local graduate programs at American and George Washington Universities. There is an informal network of practicing OD specialists representing 9 or 10 different agencies that meet monthly under the sponsorship of the CSC. The Bureau of Navy Personnel is currently in the process of establishing a job description for organization development specialists. The development of our own staff of internal organization development specialists would require the assistance of an external Organization Development Consultant with experience in helping to establish an Internal Staff. There are many prominent OD consultants with the capabilities and commensurate experience.

Attachments:

- A - Employee Suggestion #77-93
- B - OP Evaluation
- C - DDA Evaluation

# EMPLOYEE SUGGESTION

(Do Not Write in this space)

Att A

25X1A



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THE ACCEPTANCE BY ME OF A CASH AWARD FOR THIS SUGGESTION SHALL CONSTITUTE AN AGREEMENT THAT THE USE OF THE SUGGESTION BY THE UNITED STATES SHALL NOT FORM THE BASIS OF A FURTHER CLAIM OF ANY NATURE UPON THE UNITED STATES BY ME, MY HEIRS, OR ASSIGNS.

DATE

3 September 76

NAME OF SUGGESTER

☒ MR  
☐ MR  
☐ MIS

POSITION TITLE

Contracting  
Officer's Tech Rep

GRADE

GS-09

ROOM

BUILDING

OFF/DIV/BRANCH

OC-E/CED/CEB

TELEPHONE

IF CONSULTATION IS REQUIRED, MAY WE  
REFER YOUR NAME TO THE EVALUATOR?

☒

YES

☐ NO

H  
Q  
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L  
Y

TITLE OR SUBJECT OF SUGGESTION

Establishment of Internal Organization Development  
Consultants

SUGGESTION NO.

77-93

PRESENT METHOD

N/A

I SUGGEST

My suggestion is that the Agency establish a unit to provide diagnostic and consultative services as an internal resource in the areas of organizational development. Such a staff could be easily incorporated either into the Office of Training or as a separate staff of the DDA. An Organization Development Staff could provide internal resources for diagnostic and consultatives services to any organizational unit within the Agency relating to any of those areas that fall within the defined areas of Organization Development, e.g., action research, feedback, interpersonal competence acquisition, organizational renewal, team building, conflict management, role negotiation, role clarification, and job enrichment; and those areas of MBO (which are inherently self-defining as areas of Organization Development) which require collaborative teamwork in order to make Management by Objectives a viable form of managment. (Continued next page)

ADVANTAGES

N/A

EMPLOYEE SUGGESTION (continued)

I have developed the feeling in reading staff notes at the directorate level that there is a desire within the Agency to better establish collaborative efforts at the interoffice level within a directorate to work more effectively and more cohesively as an organizational unit rather than as many subunits autonomous unto themselves, finding themselves in a position of having a somewhat nebulous idea of their responsibilities or commitments to a total organizational goal or effort. Having an internal staff that could provide internal resources to diagnose and to consult to the organizational questions that fall within Organization Development could be useful at many levels of the Agency; at the total organizational level (interdirectorate level), within a particular directorate at the interoffice level, or within an office at the interdivision or the interbranch level. It could also be applicable within a branch working with first and second line supervisors and managers to establish a more effective work unit that could identify with organizational goals and objectives beyond that of their branch.

Organization Development efforts are spreading quickly throughout the Federal Government. Some of those of which I am aware begin in the Civil Service Commission itself and are found also in the General Accounting Office, in the Social Security Administration, in the National Institutes of Health, in the Interior Department, in the Human Resources Development Section of the Navy, in several divisions of the Army at the active duty military level, in the Housing and Urban Development Department, in the Internal Revenue Service, in the Federal Aviation Administration, in the Federal Housing Loan Bank Board, in the Postal Service, in the Bureau of Engraving and Printing, and in the State Department.

The main thrust of any area of Organization Development goes beyond the cognitive level to the process level, assuming that almost all organizations are technically competent to achieve the tasks that are theirs with the personnel that they have but frequently are not able to work together in the most efficient manner. And it is those problems of effectively utilizing and managing their human resources that get in the way of accomplishing the overall goals and objectives of the organization. By providing an internal staff of Organization Development Consultants that could be available to any manager at any level within the Agency, it would allow any level manager to deal with his human resources from the perspective of planning and on-going management as opposed to waiting for a potential problem to become self-evident and problematic resulting in what is more commonly known as fire-fighting.

SUGGESTION EVALUATION REPORT

OP.

TO: Executive Secretary  
Suggestion Awards Committee

SUGGESTION NO.  
77-93

SUSPENSE DATE

INSTRUCTIONS: Please complete this form in detail to guide the Suggestion Awards Committee in making a final determination of the merits of this suggestion. Retain third copy.

1. ACTION RECOMMENDED ☐ ADOPT ☒ DECLINE ☐ OTHER (Specify):

2. REASONS FOR RECOMMENDATION (If more space is needed, use plain paper)

This is a suggestion for top management (Agency or Directorate) consideration and we would suggest it be sent to the DD/A for review and recommendation, if thought feasible, to the EAG. We do not believe, as suggested on the routing, that a poll of DDA offices would serve any purpose.

The establishment of an Organizational Development Staff would normally be follow-on of a Management Staff with oversight responsibilities. It assumes centralized management, a structure for following objectives at the organization level instead of office or unit, delineation of performance criteria reflective of the objectives established, et al. Support for this type of organization does not now exist in the Agency. Should the Agency management evolve into a centralized system, this type of staff responsibility would be a natural development.

In reviewing this suggestion, however, we believe the following comments are pertinent in an evaluation should OD Staffs be established in the future. The concept stated herein is attractive but falls short of being something that can be implemented as we now function. The proposal does not consider how the suggested OD Staff would be recruited and trained. It does not address whether the Staff should be located at the Agency or Directorate level. It does not provide an answer on how to establish credibility for the Staff with the managers it is to help. It does not lay out the cost-benefit calculus that would permit one to evaluate the suggestion. It does not define the need except in the nebulous terms of the desirability of a cooperative effort to solve problems, always a valid idea.

Should the Agency or a Directorate in the future go the route of an OD Staff, we do not believe it would be in response to this suggestion, but rather as a step in evolving management concepts. The OD Staff, as noted above, is a natural development of a centralized approach to management.

3. TANGIBLE FIRST-YEAR SAVINGS (Man-hours, material, equipment, etc.)

4. INTANGIBLE BENEFITS (See guide on reverse side of third copy)

5. WHAT OTHER OFFICES, DIVISIONS, ETC. MIGHT ALSO USE THIS IDEA?

DDA

SUBJECT : Employee Suggestion No. 77003

ACTION RECOMMENDED: Decline

REASONS FOR RECOMMENDATION:

1. "Organization development" is the means by which members of an organization identify their organizational deficiencies and systematically apply behavioral science principles toward reducing them in order to improve the extent to which the organization accomplishes its goals or carries out its mission. Classically, OD is a dynamic process providing a mechanism to continually recognize and reduce deficiencies--on the premise that however effective an organization may perform, it could be improved.

2. There is no specific "OD System," only a body of principles to guide the process. There are as many OD models as there are OD applications. Although OD concepts are applicable for large organizations, such as the CIA, the focus of OD is usually toward components such as Offices, Divisions, or Branches. An organization would usually enter into an OD program with the help of an Organizational Consultant (generally a Management Psychologist). The consultant, after observing the organization in action, works with organizational members in identifying key problem areas (e.g., group interaction, lateral communications), what changes are desired, how change should be implemented, and how the resultant change should be assessed. An important part of organization development, particularly in its initial stages, is a training program tailored to the individual needs of an organization.

3. In summary, OD is consistent with a decentralized form of management such as that within the Agency; it is more effective within components or subcomponents than it is at large organizational levels; and, it requires the full support of the component manager and the participation of its members. On the other hand, there is no guarantee that OD, however carefully it is applied, would improve the effectiveness or productivity of an organization. (Research has revealed that some organizations are more productive and their members more satisfied in an authoritarian environment than in one which is participative.) It should also be emphasized that OD specialists--qualified for consulting and diagnosing organizational problems--are rarely found in Government service.

4. Additionally, the Agency, particularly in the last few years, has made (and continues to make) definite strides toward improving its effectiveness, which while consistent with the basic tenets of OD, are not specifically labeled "organization development." The following is a sampling of such activities:

a. The recent attitude surveys, enabling Agency management to identify problem areas and attitudes in order to concentrate attention on areas of need.

b. Training programs, which include: courses to improve technical competence as well as courses designed for individual improvement; supervisory development courses; a new leadership seminar (under development) which will include specific OD principles; a seminar offered to senior management conducted by Professor Levinson (who is a Psychologist, an academician, a management consultant, and an advocate of OD), and most importantly, the Management Grid course which represents a preliminary stage of organization development.

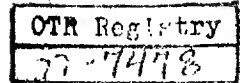
c. The Agency employs a Management Psychologist (attached to OMS, and temporarily assigned to OTR, to assist in the development and teaching of management training courses). The Agency Psychological Services Staff (OMS), in addition to various OTR faculty members, are available to provide guidance or consultation on a variety of managerial or organization development topics.

5. Other endeavors toward this end include the MBO Program (particularly within the DDA), programs in virtually all Directorates to improve the communications process, the assessment centers (conducted with the assistance of OMS), and the individual training workshops which are available through OTR.

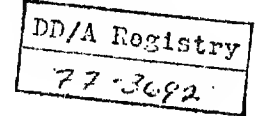
6. In conclusion, the framework for an OD effort already exists within the Agency. Organization development concepts are being utilized by the Agency and numerous Agency employees have been exposed to them through the various programs cited above. Should components wish to pursue OD to the point of developing a specific program, a mechanism exists by which to do so. In this respect, I recommend that this suggestion be declined.

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22 JUN 1977



MEMORANDUM FOR: Associate Deputy Director for  
Administration

FROM: Harry E. Fitzwater  
Director of Training

SUBJECT: Organizational Development (OD) (U)

1. (U) I find very little to add to the attached discussion of the promises and pitfalls of OD. Embarking on an OD effort is not a decision to be made lightly. It is a long-term process requiring strong and continuing management support. OD demands a high level of commitment from its participants. Once initiated, it does not always lead to results deemed "best" by supervisors, managers, and executives. The process rests on an open, communicative, non-evaluative, non-defensive attitude on the part of participating supervisors and managers. In short, OD efforts hold forth no promise of a quick fix for organizational ills.

2. (U) The results achieved from carefully planned, implemented, and strongly supported OD efforts are at the heart of the continued appeal of the process. For that reason, the Office of Training (OTR) and Office of Medical Services (OMS) have developed and will, to the extent possible, maintain a low key OD capability. The jointly conducted Program on Creative Management is a part of this capability as is the Assessment Center approach sponsored by Psychological Services Staff. The OTR Senior Seminar has also employed OD techniques in several of its runnings. OTR has four individuals capable of handling the OD consultants' role. Our expectation is that these resources will be used in those instances where OD promises benefit. We believe they will most likely occur at the Branch and Division level within the Agency. We are not initiating OD efforts. We have a capability which can respond to OD-like requirements should they surface.

E2IMPDET  
CL by: 308235

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SUBJECT: Organizational Development (OD) (U)

25X1A 3. (C) You might find it useful to discuss OD with [REDACTED] Information Services Staff/DDO (ISS). As you may recall, ISS sponsored an employee survey conducted by Psychological Services Staff. Based on survey results, ISS embarked on a variety of efforts aimed at, among other things, improving communications within the staff. The whole ISS project is, in many ways, a classical OD activity.

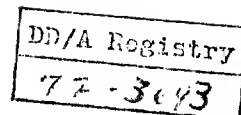
25X1A

[REDACTED]  
Harry E. Fitzwater

Attachment:  
As stated

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17 June 1977

MEMORANDUM FOR: Deputy Director of Training

FROM :

[REDACTED]

25X1A

SUBJECT :

Organizational Development (OD) (U)

Don:

1. (AIUO) Attached is the material on its way to the DCI concerning the use of OD in the Agency. As I mentioned to you we need some type of comment and Mike decided it would be better to forward as it goes up through channels rather than wait until we are asked to respond.

2. (C) I will have to put a fairly short deadline on this since it must go on its way quickly. I would like to have the answer back from you for Mike's review by the COB on 23 June. If this deadline will give you any trouble, please give me a call. I will be going to [REDACTED] on 25X1A noon Wednesday for about a day and a half with two panels.

25X1A

[REDACTED]

Attachment

SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM

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DDA SUBJECT COPY

## OFFICIAL ROUTING SLIP

TO	NAME AND ADDRESS	DATE	INITIALS
1	ADDA	6/24/77	g
2	[REDACTED]		
3			
4			
5			
6			

*Please prepare meeting per conversation with [REDACTED]*

ACTION	DIRECT	PREPARE REPLY
APPROVAL	DISPATCH	RECOMMENDATION
COMMENT	FILE	RETURN
CONCURRENCE	INFORMATION	SIGNATURE

## Remarks:

note - This is OTR's comment on OD. Anything else from us?

FOLD HERE TO RETURN TO SENDER

FROM: NAME, ADDRESS AND PHONE NO.	DATE
Michael J [REDACTED]	24 June 77
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	SECRET

FORM NO. 1-67 237 Use previous editions

\*USGPO: 1976 - 202-953

(40)

ADDA/MJMalanick:lm (24 June 77)

## Distribution:

- Orig RS - [REDACTED] OP) w/atts  
 1 RS - DDA Subject w/atts  
 1 RS - DDA Chrono  
 1 RS - MJM Chrono

## Attachments:

- (1) DDA 77-3692, Memo for ADDA from D/OTR, dated 22 June 77, Subject: Organizational Development.
- (2) DDA 77-3693, Memo for DD/OTR from DDA/CMO, dated 17 June 77, Subject: Organizational Development
- (3) DDA 77-3127, Memorandum for the Record from [REDACTED] dated 20 May 1977, Subject: [REDACTED] of Staff of Internal Organization Development Specialists or Consultants + Employee Suggestion